

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Dakota Specialty Milling

North Dakota Manufacturing Extension Partnership

Reduced Inventory Improves Cash Flow At Dakota Specialty Milling, Inc.

Client Profile:

Dakota Specialty Milling, Inc., located in Fargo, North Dakota is one of the largest suppliers of custom-milled and whole grain blends in North America. Founded in 1969, Dakota Specialty Milling is a family-owned specialty grain miller, producing over 200 whole grain products for wholesale bakeries and processors, both domestic and international. The company employs 62 people.

Situation:

Dakota Specialty Milling, Inc., contacted the North Dakota Manufacturing Extension Partnership (Dakota MEP), a NIST MEP network affiliate, to learn more about improving operations efficiencies. Dakota MEP taught them the Kaizen process which they utilized to evaluate current processes. This led them to a study on cost savings from which they incorporated Material Requirements Planning (MRP) to increase inventory turns and reduce inventory.

Solution:

Dakota MEP, with the help of a consultant, led Dakota Specialty Milling, Inc. through a process that assessed current operations practices and helped set reasonable goals for meeting cost-saving objectives. Specific goals ranged from trying to increase the value of feed by-products to the larger goal of attempting to reduce raw material and finished-goods inventories. Dakota MEP encouraged the company to consider all possibilities and to assign specific areas of responsibilities to individuals and groups within the company. Assignments were made, a committee was formed, and planning and progress meetings were held to move the process forward. The process of intense scrutiny and planning of order entering, production scheduling, and better enforcement of lead-time requirements allowed Dakota Specialty Milling, Inc. to incorporate more timely receipt of raw materials and ingredients. The bottom-line result was a significant reduction in inventory which improved cash flow.

Results:

* Reduced inventory by \$4,000.

Testimonial:

"I believe that our training and assistance from Dakota MEP has afforded us a whole new mindset which will allow us to better manage our operations based on objective techniques and measurements. Once some successes are realized, employees recognize the value of utilizing the assessment tools in all aspects of company operations."

Joel W. Dick, Vice President, COO